

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 EA-07 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 COME-00 EPG-02 DODE-00 EB-07

FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 PA-01 PRS-01 /121 W

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R 020800Z JUN 77

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 6586

INFO ORAN 0005

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY RABAT

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY TUNIS

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E.O. 11652: N/A

TAGS: EFIN, ENRG, AG

SUBJECT: STATUS OF GAS TREATMENT PLANTS AT HASSI R'MEL GAS
FIELD

REF: A. ALGIERS 919 (NOTAL), B. ALGIERS 722 (NOTAL)

1. PRESS LAST MONTH ANNOUNCED SIGNING OF CONTRACT BETWEEN
SONATRACH AND JAPAN GASOLINE FOR CONSTRUCTION TREATMENT
PLANT NO. 4 AT HASSI R'MEL FIELD.

2. WE HAVE DISCUSSED CONTRACT AND STATUS OF TREATMENT FACI-
LITIES WITH HIROSHI MATSUMOTO, ALGIERS REP C. ITOH CO.,
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WHICH ARRANGED DEAL. HE GAVE US FOLLOWING RUNDOWN
ON HASSI R'MEL SITUATION.

3. EXISTING GAS TREATMENT PLANT HAS CAPACITY OF TEN BILLION
CUBIC METERS TREATED (DRY) GAS. THIS SUPPLIES ALGERIAN
DOMESTIC NEEDS, CAMEL LNG PLANT AT ARZEW, AND LINES
1, 2 AND 3 OF SKIKDA LNG PLANT.

4. FOUR MORE TREATMENT PLANTS, NUMBERED 1 THROUGH 4 AND EACH WITH CAPACITY OF 21 BILLION CUBIC METERS, ARE PLANNED. STONE AND WEBSTER HAVE CONTRACT FOR NO. 1 (REFTEL A) AND JAPAN GASOLINE FOR OTHER THREE.

5. CONTRACT ANNOUNCED LAST MONTH CONCERNS NO. 4, TO COST \$500 MILLION (INCLUDING GAS GATHERING SUSTEM), OF WHICH \$360 MILLION TO BE SUPPLIED BY EXPORT-IMPORT BANK OF JAPAN.

6. NOS. 1 AND 4 ARE TO BE LOCATED AT CENTER OF HASSI R'MEL FIELD, NEAR EXISTING PLANT AND STORAGE TANKS FOR LPG AND CONDENSATE. NO. 2 WILL BE 25/30 KMS SOUTH AND NO. 3 ABOUT THE SAME DISTANCE NORTH OF CENTER. HALFWAY BETWEEN 2 AND CENTER AND BETWEEN 3 AND CENTER WILL BE REINJECTION STATIONS BEING BUILT BY ITALIAN FIRM NUOVO PIGNONE. REINJECTION WILL TAKE ABOUT HALF OF OUTPUT OF 2 AND 3, I.E. ABOUT 21 BILLION CUBIC METERS. THIS WILL LEAVE A TOTAL OF ABOUT 73 FOR THE LNG PLANTS AND DOMESTIC CONSUMPTION.

7. MATSUMOTO GUESSES COMPLETION OF NOS. 1 AND 3 IN 1979 AND NOS. 2 AND 4 IN 1980. HE SAYS DELAY ON NO. 1 (REFTEL) WILL CAUSE TROUBLE FOR LNG-1 IN ARZEW IF SKIKDA LINES 1, 2 AND 3 OPERATE AT CAPACITY BUT SAYS SKIKDA OPERATING AT ONLY 50 PERCENT AND NOT LIKELY TO IMPROVE SOON. HE SAYS JAPAN GASOLINE EXPECTS TO MEET CONTRACT SCHEDULES.

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8. EACH NEW TREATMENT PLANT EXPECTED TO PRODUCE 3.7 MILLION TONS CONDENSATE AND 800 THOUSAND TONS LPG, AS WELL AS 21 BILLION CUBIC METERS OF DRY GAS. EXISTING PLANT PRODUCES 800 THOUSAND TONS CONDENSATE AND 250 THOUSAND TONS LPG. HE PUTS LIFE EXPECTANCY OF FIELD AT FULL PRODUCTION AT 20/25 YEARS.

9. COMMENT. IF MATSUMOTO RIGHT ON 1979 START UP FOR NO. 1 IT SEEMS CERTAIN THAT LNG-1 LIQUEFACTION PLANT WILL BE SHORT OF FEED GAS FOR THE LAST FEW OF ITS SIX LINES EVEN IF SKIKDA CONTINUES TO OPERATE BELOW CAPACITY.

10. IF JAPAN GASOLINE ACTUALLY MEETS SCHEDULES ON NOS. 2, 3 AND 4, CONTRAST WITH PERFORMANCE OF US FIRS ON NO. 1 WILL BE STRIKING.LYNE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: ALGIERS
Handling Restrictions: n/a
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